



MOST URGENT
No. 0310/3374

Department of Foreign Trade
Ministry of Commerce
44/100 Nonthaburi 1 Rd.
Nonthaburi 11000, Thailand
Tel. (662) 547-4739
Fax. (662) 547-4741

17 November 2006

Dear Mr. Secretary,

Re: Duty Drawback – Request for Comments

Pursuant to the U.S. Department of Commerce's (DOC) notice published in the Federal Register on 19 October 2006, the Royal Thai Government hereby informs the DOC that it has no objections to the proposed methodology concerning the calculation of duty drawback adjustments in anti-dumping investigations.

Duty drawback adjustments are aimed to preserve price comparability between home market and U.S. prices by adjusting the U.S. price upwards by the amount of any import duties imposed by the country of exportation which have been rebated, or which have not been collected, by reason of the exportation of the subject merchandise to the United States.

The Royal Thai Government believes that the proposed methodology by the DOC for duty drawback adjustments in the anti-dumping investigation preserves the aforementioned aim, while avoiding excessive claims for duty drawback adjustments in dumping calculations and avoiding manipulation by certain parties for purposes of obtaining a more favourable dumping margin.

By establishing a general rule to allocate the duty drawback received across all exports that may have incorporated the duty-paid input in question, regardless of the destination, the DOC ensures that duty drawback adjustments claimed on U.S. sales are not overstated. The practice which is permitting an adjustment to the export price for all duty drawback received, whether or not related to U.S. sales, indeed seems to be an inappropriate approach to account for the effects of foreign drawback programs on price differentials between normal value and U.S. price. The proposed approach, therefore, rightly takes into account that it is unlikely that a foreign producer can directly trace particular imported duty-paid inputs through the subsequent production process and into particular finished goods that are exported to the United States.

At the same time, the proposed approach provides for an opportunity for foreign producers to obtain a full adjustment for duty drawback received when they can demonstrate that the particular imported duty-paid inputs can directly be traced through the subsequent production process and into particular finished goods that are exported to the United States. This also confers the needed flexibility to the DOC when making dumping calculations.

For the above reasons, the Royal Thai Government has no objections against the DOC's proposed methodology for the duty drawback adjustment in the manner as set forth in the Federal Register, as the proposed approach reflects the US government's obligation under Article 2.4 Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade to ensure a fair comparison between the export price and the normal value.

Should further information be required, please do not hesitate to communicate with me personally.

Yours sincerely,



(Nuntawan Sakuntanaga)
Deputy Director General

The Honorable Carlos M. Gutierrez
Secretary of Commerce
Central Records Unit, Room 1870
U.S. Department of Commerce
14th and Constitution Avenue, N.W.
Washington, D.C. 20230

Attention: John Kalitka